



# UTILITY BOARDS ANNUAL REPORT

## 2018

**Justin P. Wilson**  
**Comptroller of the Treasury**

**John Greer**  
**Utilities Specialist**

*This report is prepared in accordance with Tennessee Code Annotated § 7-82-705 and provides an overview of the Utility Management Review Board's and Water and Wastewater Financing Board's activities for the reporting period ending on November 30, 2018.*

## MESSAGE FROM THE UTILITIES SPECIALIST

Dear Members of the General Assembly,

The Comptroller's Office is committed to assisting water, sewer, and natural gas utilities and their customers.

As staff to the Water and Wastewater Financing Board, I provide financial guidance, as well as technical and managerial assistance, to the 251 municipalities, twelve counties, and nine treatment authorities that oversee a water or wastewater system in Tennessee. I also serve as staff to the Utility Management Review Board, providing the same guidance and assistance to the 178 utility districts across the state.

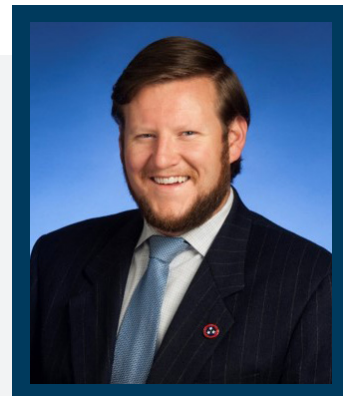
The mission of the Comptroller's Office is to make government work better. Accordingly, I make utilities work better by ensuring they have a sound financial foundation and are viable for the future.

If I can be of assistance to you or your constituents, please do not hesitate to contact me.

Thank you,



John Greer  
Utilities Specialist



## CONTACT INFORMATION





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For more information visit:  
[www.comptroller.tn.gov/UMRB](http://www.comptroller.tn.gov/UMRB)  
[www.comptroller.tn.gov/WWFB](http://www.comptroller.tn.gov/WWFB)



## HOW OUR OFFICE SUPPORTS UTILITIES

-  Assess financial health of utility systems and make best practice recommendations
-  Assist the General Assembly with any questions related to public utility policy
-  Facilitate partnerships among utility systems throughout the state
-  Provide guidelines related to water loss, commissioner training, and other relevant topics

## CHALLENGES

Utilities are one of the most important services that government entities provide. The Comptroller's Office not only recognizes the importance of efficient and stable utility systems, but we also understand the significant challenges many local governments face in maintaining their financial viability. The Governor's TN H2O report estimates that local governments will need at least \$15.6 billion for water and wastewater infrastructure projects by 2040. Even after factoring in historical contributions, local utilities will still need \$13.9 billion for repairs, maintenance, replacing aging infrastructure, and building new systems to meet population growth.

The infrastructure deficiencies in local utilities are having a significant impact on ratepayers. Leaking water pipes cost Tennessee utilities \$83 billion annually, while leaking sewer pipes cost \$200 billion in unnecessary treatment. These expenses will continue to increase as infrastructure deteriorates.

Through training and education, the Comptroller's Office proactively helps utilities navigate the high cost of preserving and replacing aging infrastructure while maintaining reasonable customer rates.

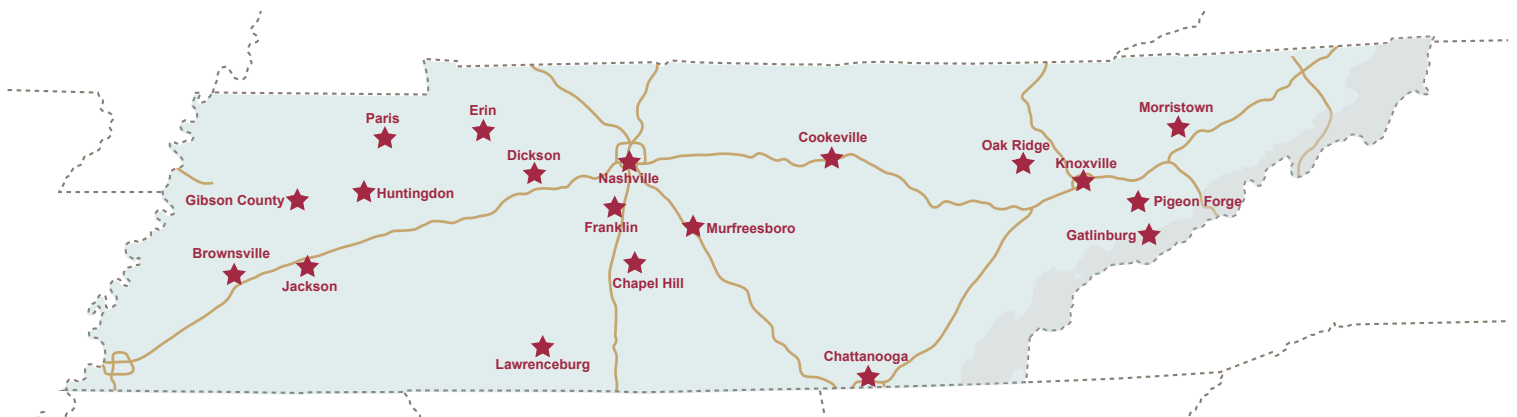
## UTILITY TRAINING

Over the past year, our office led multiple free commissioner trainings in all three grand divisions. In addition, we are actively developing online training that will be available at no cost to municipal utility commissioners and personnel by March 2019. We will offer a minimum of 14 hours of training online—more than the legally-required 12 hours. Effectively communicating with customers, complying with open records and open meetings laws, spotting red flags related to fraud, and an introduction to the Comptroller's Office are just a sample of the topics the online training will cover.

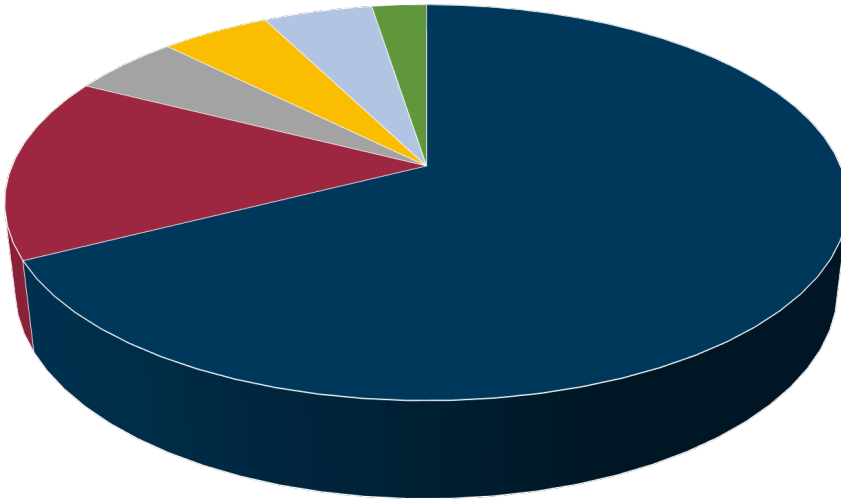
The training we provide not only consists of formal instruction on effective governance, but we work daily with utility managers to provide informal, proactive advice on the numerous issues they encounter. We also train utility staff on the importance of communicating with customers and properly handling financial transactions.

We believe that by providing free training to the decision-makers, giving technical and managerial assistance to utility personnel, and building long-term plans for those facing financial distress, we ensure future generations will enjoy the same reliable utility services we receive today.

## UTILITY TRAINING LOCATIONS



## CASES HEARD BY THE UTILITY MANAGEMENT REVIEW BOARD



■ Financial
 ■ Water Loss
 ■ Investigation
 ■ Expansion Petition
 ■ Customer Complaints
 ■ Training Compliance

## UTILITY MANAGEMENT REVIEW BOARD MEMBERS

**Ann Butterworth, Chair**  
Comptroller's Designee

**Tom Moss, Vice Chair**  
TDEC Designee

**Kevin Botts**  
Consumer Representative

**Dan Coley**  
Utility District Commissioner

**Tim Pelham**  
Utility District Manager

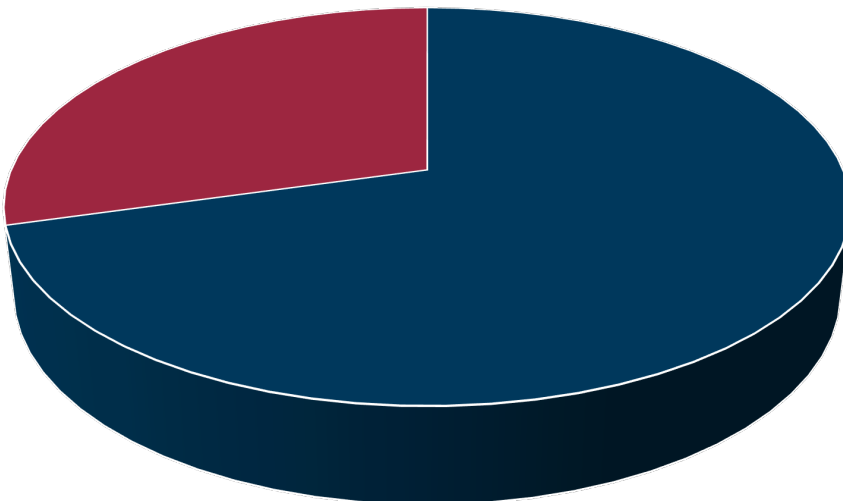
**Jason West**  
Utility District Commissioner

**Bruce Giles**  
Utility District Manager

**Rebecca Hunter**  
Utility District Commissioner

**Pat Riley**  
Utility District Manager

## CASES HEARD BY THE WATER AND WASTEWATER FINANCING BOARD



■ Financial
 ■ Water Loss

## WATER AND WASTEWATER FINANCING BOARD MEMBERS

**Ann Butterworth, Chair**  
Comptroller's Designee

**Tom Moss**  
TDEC Designee

**Eugene Hampton II**  
Government Finance/Minority Citizens

**Drexel Heidel**  
Active Employee/Utility Districts

**Vacant**  
Manufacturing Interests

**Nick Newman**  
Active Employee/Municipal Water System

**Rick Graham**  
Municipalities

**Jim Redwine**  
Environmental Interests

**Randy Wilkins**  
Utility Districts